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MARKET MATTERS – ANTITRUST BRIEF JUNE 2026



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I. THE ORISSA HIGH COURT SETS ASIDE THE CCI'S INQUIRY AGAINST RUNGTA MINES IN AN ALLEGED STEEL CARTEL IN TAMIL NADU.

On May 22, 2026, the Orissa High Court (HC) allowed a challenge by Rungta Mines Limited (**Rungta Mines**) to its inclusion as an opposite party in an on-going cartel inquiry before the Competition Commission of India (CCI).

Background.

In March 2021, the Coimbatore Corporation Contractors Welfare Association (**Coimbatore Association**) filed a complaint with the Central Bureau of Investigation (CBI), alleging price-fixing by 9 steel manufacturers in Tamil Nadu. The Coimbatore Association also filed a petition before the Madras High Court (HC) seeking a direction for the CBI to commence a criminal inquiry. Subsequently, in April 2021, the CBI, citing a lack of jurisdiction, forwarded the complaint to the Director General (DG), CCI. In July 2021, the Madras HC directed the DG to take necessary action on the complaint (**Madras HC Direction**). In August 2021, following the Madras HC's direction, the CCI registered a *suo moto* case, and directed the DG to undertake an investigation without first passing a *prima facie* order directing such an investigation as required under the Competition Act, 2002 (**Competition Act**). Following the CCI's directions, the DG conducted a search and seizure on Rungta Mines in December 2022 and summoned two of its individuals even though Rungta Mines was not named in the complaint filed by Coimbatore Association.

In August 2025, Rungta Mines undertook an inspection of the CCI's case record which revealed it had been made an opposite party in the on-going cartel inquiry. The CCI considered the Coimbatore Association's complaint and the Madras HC Direction as the 'information' to register a *suo moto* case.

The Orissa HC's key observations.

- **A judicial direction cannot substitute the CCI's *prima facie* assessment.** The Orissa HC observed that the CCI had considered the Madras HC Direction as a basis to direct a DG investigation and had not independently evaluated the Coimbatore Association's complaint. The HC noted that under the Competition Act, the CCI must first form a *prima facie* opinion, based on a complaint, prior to directing an investigation. The Orissa HC further observed that the Madras HC was only examining the grievance concerning the CBI's inaction against the Coimbatore Association's complaint and not any issue under the Competition Act. Taking note of the fact that the Coimbatore Association's complaint had already been forwarded by the CBI to the DG, the Madras HC only directed the matter to proceed according to law and did not indicate any opinion that would have substituted the statutory mandate requiring the CCI to form a *prima facie* opinion. The Orissa HC held that the Madras HC Direction could not be construed as substituting the CCI's *prima facie* opinion under the Competition Act.
- **The DG cannot investigate without the CCI's *prima facie* opinion.** The Orissa HC referred to the Supreme Court's decision in *CCI v. Steel Authority of India Limited (SAIL Case)*¹, which noted that the DG can only proceed pursuant to the CCI's *prima facie* order for investigation. The Orissa HC noted that in August 2021, the CCI directed an investigation following the Madras HC Decision. However, the CCI's record did not demonstrate any application of mind to the allegations in the Coimbatore Association's complaint. The Orissa HC reiterated that an investigation

¹ CCI v SAIL ((2010) 10 SCC 744).

commenced without the CCI's *prima facie* opinion cannot later be supplemented with reasons or justifications and held that in the absence of the CCI's *prima facie* opinion, the investigation directed by it against Rungta Mines was invalid.

- **The DG erred in investigating Rungta Mines without the CCI's *prima facie* view or any relevant material.** The Orissa HC noted that the DG can expand the investigation to include entities that were not mentioned in the original complaint, however, such expansion cannot be undertaken if the CCI has not formed a *prima facie* opinion. The Orissa HC held that in the absence of a *prima facie* view by the CCI and any material on record, the DG could not have investigated Rungta Mines.
- **The DG erred in investigating Rungta Mines without providing any prior intimation.** The Orissa HC distinguished between directing an investigation and adding a party to an investigation, with the latter having direct consequences for the relevant party, which is distinct from the mere initiation of an investigation, and requires, at minimum, that the entity be informed of its status. The Orissa HC rejected the contention that search and seizure of Rungta Mines and summons to its employees were sufficient notice of its involvement and noted that Rungta Mines was not intimated on the nature of allegations, or the capacity in which it was being investigated.

The Orissa HC set aside the investigation against Rungta Mines, and the steps taken pursuant to the investigation, including the search and seizure operation and the summons.

The order can be accessed [here](#).

II. TELANGANA HC REFUSES TO INTERFERE IN AN ONGOING CCI INQUIRY AGAINST DR. REDDY'S.

On June 10, 2026, the Telangana HC dismissed a challenge filed by Dr. Reddy's Laboratories Limited (**Dr. Reddy's**) against a CCI order dated May 31, 2024 which directed Dr. Reddy's, and certain other opposite parties to file their objections to the DG's investigation report (**May 2024 Order**).

Background

The May 2024 Order pertains to a complaint filed in January 2012 by All India Chemists and Distributors Federation (**AICDF**) against various trade associations including the All India Organization of Chemists and Druggists (**AIOCD**), and various pharmaceutical manufacturers including Dr. Reddy's. The complaint primarily alleged that pharmaceutical manufacturers, in agreement with AIOCD, required stockists to obtain no objection certificates (**NOCs**) from AIOCD under the guise of "*verification of antecedents*" before such stockists could be appointed, in violation of the Competition Act.

In February 2012, the CCI directed an investigation pursuant to the complaint. However, in the meantime, one of the opposite parties, Karnataka Chemist & Druggist Association challenged the validity of the investigation before the Karnataka HC. In July 2012, the Karnataka HC directed a stay on the CCI's proceedings. In November 2022, the challenge was dismissed by the Karnataka HC and the investigation resumed. In April 2024, the DG submitted its investigation report to the CCI. Subsequently, the May 2024 Order was challenged by Dr. Reddy's before the Telangana HC, primarily on grounds of procedural lapses.

The Telangana HC’s observations.

The Telangana HC declined to interfere with the CCI proceedings, observing:

- **Absence of grounds for interference with the May 2024 Order.** The Telangana HC noted that a HC’s writ jurisdiction can be invoked to interfere with a statutory authority’s action only in cases of: (i) a lack of jurisdiction; (ii) illegality of the action; or (iii) violation of principles of natural justice. The Telangana HC refrained from interfering with the CCI’s inquiry, considering that there was no challenge to the CCI’s jurisdiction and the inquiry before the CCI is still on-going.
- **Delay in investigation does not invalidate the inquiry.** The Telangana HC noted that the delay in conclusion of the investigation could not be attributed solely to any procedural lapse, as the proceedings were stayed by the Karnataka HC for the period between 2012 and 2022. Further, on the issue of delay, the Telangana HC noted that under the Competition Act a proceeding cannot be invalidated because of an irregularity in procedure which does not affect the merits of the case.²
- **The CCI’s direction for submitting the financial statements for FYs 2021-22 to 2023-24 was valid.** The Telangana HC noted that the CCI’s direction seeking audited financial statements for FYs 2021-22 to 2023-24 was valid as the CCI had also sought audited financial statements for FYs 2009-10 to 2013-14, and so, Dr. Reddy’s contention that the CCI may penalize it for an unrelated period was baseless. Dr. Reddy’s apprehension regarding the submission of financial statements was also premature since it had a right to be heard by the CCI before a penalty is imposed, and also a subsequent right to appeal the CCI’s final order before the NCLAT.
- **The CCI’s turnover and penalty guidelines are clarificatory and may be applied retroactively.** The HC observed that both the CCI (Determination of Turnover or Income) Regulation, 2024 and the CCI (Determination of Monetary Penalty) Guidelines, 2024 only provide procedural clarity without introducing any additional liability. Considering this, these regulations and guidelines may be applied retroactively.

The Telangana HC directed Dr. Reddy’s to comply with the May 2024 Order, as well as the subsequent orders issued by the CCI within specified timelines.

The order can be accessed [here](#).

III. THE CCI EXONERATES AIOCD, PHARMA ASSOCIATIONS, AND 22 PHARMACEUTICAL COMPANIES FROM ALLEGATIONS OF MANDATING OBTAINING NOCS FOR STOCKIST APPOINTMENTS AND LEVYING ADDITIONAL CHARGES.

On June 29, 2026, the CCI dismissed allegations of anti-competitive practices against 34 opposite parties in the pharmaceutical distribution sector, comprising the AIOCD, eight regional chemist associations, two pharmaceutical manufacturers’ associations, and 22 pharmaceutical companies. Following the DG’s investigation, the CCI held that the alleged practices, including mandatory NOC requirements and Product Information Service (PIS) charges, had not been enforced and had been since discontinued.

² Section 15(c) of the Competition Act.

Background.

In 2012, the AICDF filed a complaint alleging that AIOCD compelled manufacturers' associations into agreeing to Memorandums of Understanding (**MoUs**) requiring NOCs/ Letters of Cooperation (**LOCs**) before stockist appointments, levied mandatory PIS charges on drug manufacturers, and coordinated boycotts of non-compliant pharmaceutical companies through its affiliated associations by denying cooperation, such as stockist appointments and supplies. In 2012, the CCI directed an investigation, but the CCI's inquiry was stayed by the Karnataka HC and resumed in 2022 upon dismissal of the challenge by the Karnataka HC.

The CCI's findings.

The CCI disagreed with the DG's findings and closed the matter, with the following key observations:

- **The alleged practices had already been discontinued.** The DG had primarily relied on historical evidence from 2009 – 2011 and had ignored subsequent compliance measures. The CCI noted that the AIOCD had confirmed, through an undertaking, that NOC/ LOC requirements, trade margin fixation, and PIS charges were no longer mandatory and circulated clarifications to its members and the manufacturers' associations. The CCI observed that there had been no violation of this undertaking.
- **NOCs and PIS charges were not mandatory.** Evidence provided by several pharmaceutical companies demonstrated that stockists were frequently appointed without obtaining NOCs. Additionally, PIS charges were found to be voluntary and functioned primarily as a mechanism for product advertisement and information dissemination.
- **Absence of any evidence of boycott.** The allegations of coordinated boycotts were not substantiated by documentary evidence. Several pharmaceutical companies explicitly denied experiencing boycotts or trade interference from the associations.
- **MoUs between chemist associations and pharmaceutical manufacturers had been terminated.** The historical MoUs between the chemist associations and pharmaceutical manufacturers' associations had formally ceased to operate and stood terminated by 2011.
- **Pharmaceutical companies were not willing participants.** There was no evidence demonstrating that pharmaceutical companies actively participated in any anti-competitive agreements. Many companies had either been pressurized by chemist associations or were independently following prevailing commercial trade practices.

The order can be accessed [here](#).

IV. THE CCI FINDS ODISHA TRUCK ASSOCIATIONS GUILTY OF CARTELIZATION; PENALTY COMPUTATION DEFERRED PENDING RECEIPT OF FINANCIAL DETAILS.

On June 9, 2026, the CCI found 4 truck owners' associations in Odisha (**Truck Owners' Associations**) to have contravened the Competition Act by fixing freight rates for transportation of mineral-carrying goods and restricting independent transporters from operating in mining areas in Odisha. The CCI's inquiry was initiated on a complaint filed by the Indian Steel Association, which alleged that the Truck Owners' Associations collusively fixed freight rates above the maximum

rates prescribed by the State Transport Authority (**STA**), Government of Odisha, and barred non-member transporters from transporting raw materials from mines, significantly increasing logistics costs for steel producers.

The CCI's findings.

- **Truck Owners' Associations fixed freight rates above government-prescribed limits.** The CCI observed that the Truck Owners' Associations, including certain individuals from each association, fixed and revised freight rates for transporting mineral-carrying goods at levels substantially higher than the maximum freight rates notified by the STA. The CCI noted that the Truck Owners' Associations acted in concert through joint deliberations and coordinated decisions to determine rates which were then enforced using threats of action against any independent transporters who deviated from the fixed rates. The CCI found this to be in contravention of the Competition Act.
- **Imposition of restriction on independent transporters.** The CCI found that the Truck Owners' Associations mandated that independent transporters to either register with the local association or pay an entry fee to operate freely in the region. This mechanism was enforced leading to a foreclosure in the market for non-member transporters.
- **Absence of evidence showing restrictions based on vehicle capacity.** The CCI held that there was no evidence to conclude that the Truck Owners' Associations deliberately restricted the use of higher-capacity vehicles to create artificial scarcity and inflate freight rates.

The CCI directed the Truck Owners' Associations to cease and desist from the conduct contravening the Competition Act. However, the CCI deferred the imposition of monetary penalties noting that despite multiple opportunities and directions, none of the parties had submitted the requisite financial details and would consider appropriate penalties once financial details had been submitted.

The order can be accessed [here](#).

V. THE CCI INITIATES INVESTIGATION INTO MRS. INDIA INC. FOR ALLEGED ANTI-COMPETITIVE CONDUCT.

On June 2, 2026, the CCI directed an investigation into Mrs. India Inc., pursuant to a complaint filed by the informant Rinima Borah Agarwal, a runner-up in the 2024 Mrs. India pageant. The informant alleged that Mrs. India Inc. had imposed anti-competitive restrictions and abused its dominant position by coercing her into signing restrictive and one-sided agreements, after having already paid an exorbitant fee for the pageant. The informant also alleged that Mrs. India Inc. and other international organizers formed a cartel to pre-decide competition winners based on monetary payments.

The CCI's *prima facie* opinion.

- **No evidence of cartelization.** The CCI observed that the informant provided no evidence of an agreement between Mrs. India Inc. and other international organizers to pre-decide winners.
- **Relevant market.** The CCI defined the relevant market as the '*market for services of beauty pageants for married women in India for sending its winners to major international beauty pageants.*' It considered the '*Mrs. Category*' a strictly distinct market because beauty pageants are non-substitutable, gender-specific, and mainstream events.

- **Mrs. India Inc. is dominant in the relevant market.** While published market-share data was unavailable, the CCI found Mrs. India Inc. to be a *prima facie* dominant player based on – (i) its exclusive franchise licenses covering Mrs. World, Mrs. Globe, Mrs. Earth, Mrs. Galaxy, and Mrs. International Summit; (ii) its strong media and social media presence; (iii) its longevity; and (iv) the absence of any alternative route for participants to represent India at these international competitions.
- **Unfair and unrelated requirements in professional contracts.** The CCI observed the following contractual obligations as being unrelated to the contract:
 - Requirements for Mrs. India Inc.’s written approval on all subsequent professional contracts of the winner; and
 - Absolute five-year restriction on participation in competing pageants limiting the informant’s pageant related and commercial services; and
 - Mandatory contribution to a Mrs. India Inc. specified social cause; and
 - Approvals for public appearances

The CCI also noted that these onerous terms were withheld and disclosed only after large payments had already been made, denying the informant any opportunity to negotiate or seek timely legal advice.

The order can be accessed [here](#).

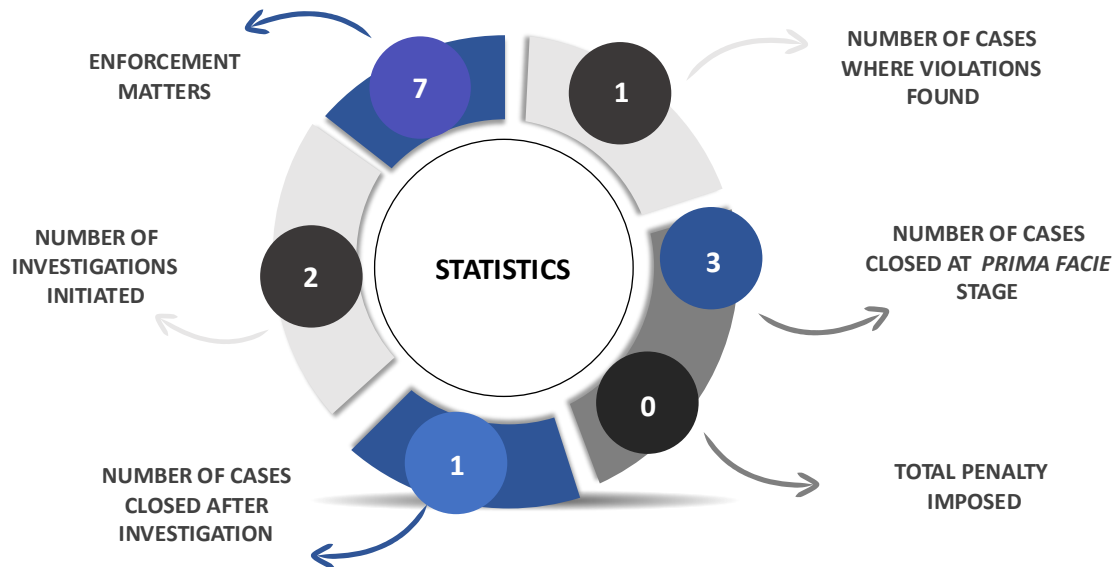
IN THE NEWS

- On May 29, 2026, the CCI proposed draft amendments to the Competition Commission of India (Commitment) Regulations, 2024 (**Commitment Regulations**), seeking to address certain administrative and procedural issues identified since the implementation of the commitment framework in 2023. The draft amendments primarily propose extending the time period to file a commitment application from the existing 45 days to 60 days from the receipt of an order initiating investigation under Section 26(1) of the Competition Act. It also proposes increasing the maximum time limit for the CCI to conclude such proceedings from 130 working days to 180 working days from the date of receipt of the application. Our readers will recall that the commitment mechanism, introduced via the Competition (Amendment) Act, 2023 and notified in March 2024, allows entities facing antitrust investigations to voluntarily offer corrective measures in cases (excluding cartels) to avoid prolonged investigation and litigation.

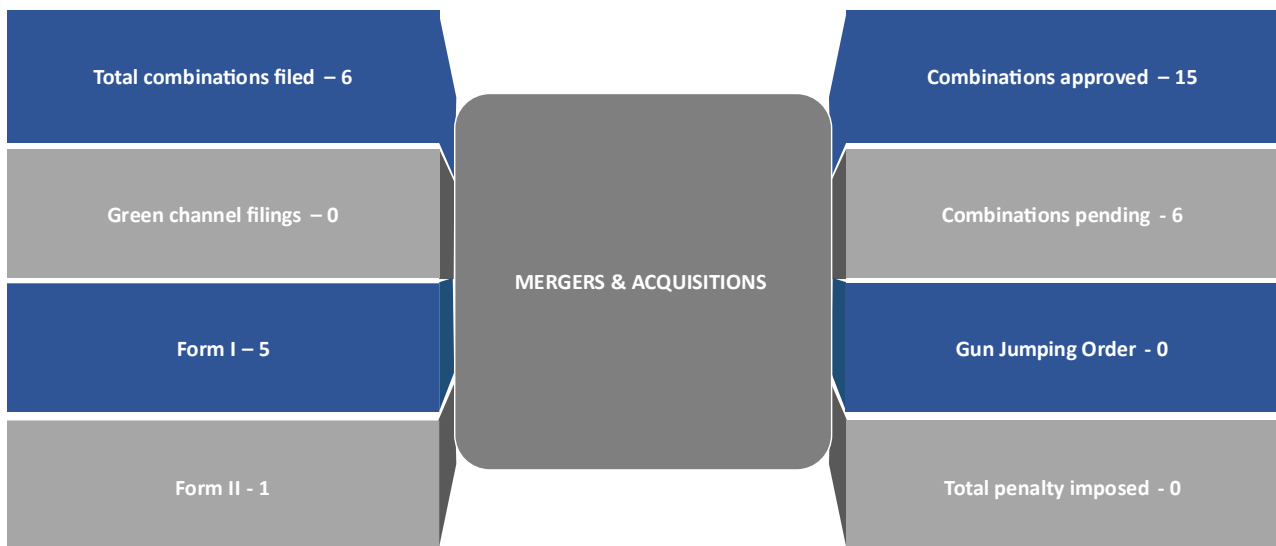
The draft amendment to the Commitment Regulations can be accessed [here](#), and our previous update on the introduction of the Commitment Regulations can be accessed [here](#).

- On June 16, 2026, Congress leader Arvind Shinde filed a complaint before the CCI against the Pune Municipal Corporation (**PMC**), challenging a solid waste management tender worth INR 7 billion (~USD 85 million), issued by the PMC's solid waste management department on June 15, 2026. The complaint alleged irregularities and anti-competitive provisions in the tender process. Shinde claimed that several tender conditions and eligibility criteria were discriminatory and framed to favor a specific contractor, thereby restricting fair competition and undermining transparency. He urged the CCI to conduct an inquiry into the bidding process to determine if it violated fair competition norms or provided an undue advantage to a select company, namely Bhumi Green Energy. There are no further reports on the status of the complaint before the CCI.

VII. STATISTICS



MERGERS & ACQUISITIONS



We hope you have found this information useful. For any queries/clarifications please write to us at insights@elp-in.com

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